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Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 13, 2024

Company name: NAGAWA Co.,Ltd.

Stock exchange listing: Tokyo

Code number: 9663

URL: <https://group.nagawa.co.jp/>

Representative: Ryo Shimmura

President

Contact: Masayoshi Kunou

Senior Executive Officer

Phone: +81-3-5288-8666

Scheduled date of Annual General Meeting of Shareholders: June 18, 2024

Scheduled date of commencing dividend payments: June 19, 2024

Scheduled date of filing annual securities report: June 18, 2024

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	32,576	2.9	4,241	(1.6)	4,643	(0.7)	3,119	(0.4)
March 31, 2023	31,652	3.5	4,308	(2.8)	4,674	(0.3)	3,130	3.8

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥ 7,227 million [110.6%]
Fiscal year ended March 31, 2023: ¥ 3,432 million [28.9%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	198.41	-	5.5	7.4	13.0
March 31, 2023	199.15	-	6.0	8.2	13.6

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ - million
Fiscal year ended March 31, 2023: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	66,876	59,725	89.3	3,800.91
March 31, 2023	58,806	53,480	90.9	3,401.25

(Reference) Equity: As of March 31, 2024: ¥ 59,725 million
As of March 31, 2023: ¥ 53,480 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	1,140	(3,812)	(1,029)	7,166
March 31, 2023	524	(1,427)	(1,022)	10,870

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2023	-	0.00	-	60.00	60.00	943	30.1	1.8
March 31, 2024	-	0.00	-	60.00	60.00	942	30.2	1.7
Fiscal year ending March 31, 2025 (Forecast)	-	0.00	-	60.00	60.00		25.5	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	18,000	20.4	2,600	45.0	2,700	33.9	1,850	40.9	117.68
Full year	36,000	10.5	5,200	22.6	5,400	16.3	3,700	18.6	235.36

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:)
Exclusion:	-	(Company name:)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2024:	16,357,214 shares
March 31, 2023:	16,357,214 shares

2) Number of treasury shares at the end of the period:

March 31, 2024:	643,807 shares
March 31, 2023:	633,507 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024:	15,720,316 shares
Fiscal Year ended March 31, 2023:	15,720,042 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	32,576	3.2	4,260	(3.3)	4,657	(1.2)	3,129	2.0
March 31, 2023	31,555	3.5	4,407	(2.1)	4,715	0.4	3,069	0.6

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	199.06	-
March 31, 2023	195.24	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	66,875	59,806	89.4	3,806.07
March 31, 2023	58,856	53,545	91.0	3,405.42

(Reference) Equity: As of March 31, 2024: ¥ 59,806 million
As of March 31, 2023: ¥ 53,545 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

Six months ending	Net sales		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
September 30, 2024	18,000	20.4	2,700	33.4	1,850	40.5	117.68
Full year	36,000	10.5	5,400	16.0	3,700	18.2	235.36

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	10,870	7,166
Notes receivable - trade	1,372	1,270
Electronically recorded monetary claims - operating	1,618	1,759
Accounts receivable - trade	4,559	5,093
Contract assets	815	28
Securities	1	4
Merchandise and finished goods	2,708	3,331
Work in process	267	706
Raw materials and supplies	922	562
Other	292	224
Allowance for doubtful accounts	(1)	(1)
Total current assets	23,428	20,147
Non-current assets		
Property, plant and equipment		
Assets for rent	33,705	35,788
Accumulated depreciation	(22,164)	(22,273)
Assets for rent, net	11,541	13,514
Buildings and structures	6,161	7,555
Accumulated depreciation	(3,724)	(3,795)
Buildings and structures, net	2,437	3,760
Land	7,340	7,485
Construction in progress	245	243
Other	1,271	1,342
Accumulated depreciation	(1,058)	(1,101)
Other, net	212	240
Total property, plant and equipment	21,777	25,243
Intangible assets	244	228
Investments and other assets		
Investment securities	12,193	20,051
Leasehold and guarantee deposits	683	748
Retirement benefit asset	12	169
Deferred tax assets	137	-
Other	329	287
Allowance for doubtful accounts	-	(0)
Total investments and other assets	13,356	21,257
Total non-current assets	35,378	46,729
Total assets	58,806	66,876

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	2,777	2,889
Accounts payable - other	351	440
Income taxes payable	768	734
Contract liabilities	439	283
Provision for bonuses	280	289
Provision for bonuses for directors (and other officers)	69	64
Asset retirement obligations	1	2
Other	556	569
Total current liabilities	5,246	5,273
Non-current liabilities		
Long-term accounts payable - other	24	24
Asset retirement obligations	52	46
Deferred tax liabilities	-	1,804
Other	2	2
Total non-current liabilities	80	1,878
Total liabilities	5,326	7,151
Net assets		
Shareholders' equity		
Share capital	2,855	2,855
Capital surplus	8,855	9,424
Retained earnings	42,996	45,172
Treasury shares	(1,820)	(2,428)
Total shareholders' equity	52,887	55,023
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	608	4,722
Foreign currency translation adjustment	(15)	(20)
Total accumulated other comprehensive income	593	4,701
Non-controlling interests	-	-
Total net assets	53,480	59,725
Total liabilities and net assets	58,806	66,876

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	31,652	32,576
Cost of sales	18,790	19,411
Gross profit	12,862	13,165
Selling, general and administrative expenses		
Transportation costs	599	622
House maintenance cost	614	689
Advertising expenses	521	599
Salaries and allowances	2,510	2,523
Remuneration for directors (and other officers)	105	125
Provision of allowance for doubtful accounts	-	0
Provision for bonuses	253	263
Provision for bonuses for directors (and other officers)	64	58
Retirement benefit expenses	189	(36)
Welfare expenses	448	481
Share-based payment expenses	35	35
Depreciation	234	278
Repair expenses	148	148
Rent expenses on land and buildings	1,162	1,367
Other	1,665	1,767
Total selling, general and administrative expenses	8,553	8,924
Operating profit	4,308	4,241
Non-operating income		
Interest income	11	9
Dividend income	286	357
Rental income	19	21
Compensation income	43	-
Foreign exchange gains	20	6
Miscellaneous income	24	49
Total non-operating income	405	445
Non-operating expenses		
Commission expenses	0	8
Share-based remuneration expenses	37	30
Miscellaneous losses	1	4
Total non-operating expenses	38	43
Ordinary profit	4,674	4,643
Extraordinary income		
Gain on sale of non-current assets	5	0
Gain on sale of investment securities	0	144
Total extraordinary income	6	145
Extraordinary losses		
Loss on disposal of non-current assets	35	92
Loss on liquidation of subsidiaries	28	-
Loss on disaster	-	20
Total extraordinary losses	64	113
Profit before income taxes	4,616	4,675
Income taxes - current	1,478	1,426
Income taxes - deferred	8	129
Total income taxes	1,486	1,556
Profit	3,130	3,119
Profit attributable to owners of parent	3,130	3,119

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	3,130	3,119
Other comprehensive income		
Valuation difference on available-for-sale securities	312	4,113
Foreign currency translation adjustment	(10)	(5)
Total other comprehensive income	301	4,108
Comprehensive income	3,432	7,227
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,432	7,227
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,855	8,812	40,888	(1,838)	50,717
Changes during period					
Dividends of surplus			(1,021)		(1,021)
Profit attributable to owners of parent			3,130		3,130
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		32		18	50
Change in scope of consolidation		10			10
Net changes in items other than shareholders' equity					
Total changes during period	-	42	2,108	17	2,169
Balance at end of period	2,855	8,855	42,996	(1,820)	52,887

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	296	(4)	291	-	51,009
Changes during period					
Dividends of surplus					(1,021)
Profit attributable to owners of parent					3,130
Purchase of treasury shares					(0)
Disposal of treasury shares					50
Change in scope of consolidation					10
Net changes in items other than shareholders' equity	312	(10)	301		301
Total changes during period	312	(10)	301	-	2,471
Balance at end of period	608	(15)	593	-	53,480

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,855	8,855	42,996	(1,820)	52,887
Changes during period					
Dividends of surplus			(943)		(943)
Profit attributable to owners of parent			3,119		3,119
Purchase of treasury shares				(1,186)	(1,186)
Disposal of treasury shares		569		577	1,147
Net changes in items other than shareholders' equity					
Total changes during period	-	569	2,175	(608)	2,136
Balance at end of period	2,855	9,424	45,172	(2,428)	55,023

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	608	(15)	593	-	53,480
Changes during period					
Dividends of surplus					(943)
Profit attributable to owners of parent					3,119
Purchase of treasury shares					(1,186)
Disposal of treasury shares					1,147
Net changes in items other than shareholders' equity	4,113	(5)	4,108		4,108
Total changes during period	4,113	(5)	4,108	-	6,244
Balance at end of period	4,722	(20)	4,701	-	59,725

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	4,616	4,675
Depreciation	3,257	3,685
Cost of sales of assets for rent	25	15
Increase (decrease) in allowance for doubtful accounts	(0)	0
Increase (decrease) in provision for bonuses for directors (and other officers)	3	(5)
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	(1)	-
Share-based payment expenses	73	66
Interest and dividend income	(297)	(366)
Compensation income	(43)	-
Loss (gain) on sale of investment securities	(0)	(144)
Loss (gain) on disposal of non-current assets	29	92
Loss on liquidation of subsidiaries	28	-
Loss on disaster	-	20
Purchase of assets for rental	(4,709)	(5,274)
Foreign exchange losses (gains)	(20)	(6)
Decrease (increase) in trade receivables	(330)	214
Decrease (increase) in inventories	(1,292)	(702)
Increase (decrease) in trade payables	57	111
Other, net	237	(133)
Subtotal	1,634	2,248
Proceeds from insurance income	68	7
Interest and dividends received	313	369
Proceeds from compensation	38	-
Income taxes paid	(1,531)	(1,464)
Payments associated with disaster loss	-	(20)
Net cash provided by (used in) operating activities	524	1,140
Cash flows from investing activities		
Purchase of own-used assets	(1,485)	(1,905)
Proceeds from sale of own-used assets	18	6
Purchase of investment securities	(287)	(2,428)
Proceeds from sale of investment securities	2	636
Proceeds from redemption of investment securities	500	-
Payments of leasehold and guarantee deposits	(135)	(74)
Other, net	(41)	(48)
Net cash provided by (used in) investing activities	(1,427)	(3,812)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(1,186)
Proceeds from disposal of treasury shares	-	1,099
Dividends paid	(1,021)	(942)
Net cash provided by (used in) financing activities	(1,022)	(1,029)
Effect of exchange rate change on cash and cash equivalents	1	(1)
Net increase (decrease) in cash and cash equivalents	(1,924)	(3,703)
Cash and cash equivalents at beginning of period	12,794	10,870
Cash and cash equivalents at end of period	10,870	7,166

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	10,840	7,166
Notes receivable - trade	1,372	1,270
Electronically recorded monetary claims - operating	1,618	1,759
Accounts receivable - trade	4,559	5,093
Contract assets	815	28
Securities	1	4
Merchandise and finished goods	2,708	3,331
Work in process	267	706
Raw materials and supplies	922	562
Advance payments to suppliers	4	0
Prepaid expenses	192	220
Other	89	3
Allowance for doubtful accounts	(1)	(1)
Total current assets	23,391	20,147
Non-current assets		
Property, plant and equipment		
Assets for rent	11,541	13,514
Buildings	1,883	2,990
Structures	554	769
Machinery and equipment	93	114
Vehicles	34	44
Tools, furniture and fixtures	83	81
Land	7,340	7,485
Construction in progress	245	243
Total property, plant and equipment	21,777	25,243
Intangible assets		
Leasehold interests in land	20	20
Telephone subscription right	16	16
Software	174	132
Software in progress	3	40
Goodwill	30	19
Total intangible assets	244	228

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Investments and other assets		
Investment securities	12,184	20,042
Shares of subsidiaries and associates	9	9
Investments in capital	0	0
Distressed receivables	0	0
Long-term prepaid expenses	281	239
Deferred tax assets	226	-
Leasehold and guarantee deposits	681	747
Prepaid pension costs	12	169
Other	46	47
Allowance for doubtful accounts	-	(0)
Total investments and other assets	13,443	21,256
Total non-current assets	35,464	46,728
Total assets	58,856	66,875
Liabilities		
Current liabilities		
Accounts payable - trade	2,777	2,889
Accounts payable - other	349	440
Accrued expenses	116	157
Income taxes payable	768	734
Accrued consumption taxes	-	84
Contract liabilities	439	283
Advances received	311	244
Deposits received	48	81
Provision for bonuses	280	289
Provision for bonuses for directors (and other officers)	69	64
Asset retirement obligations	1	2
Other	66	0
Total current liabilities	5,230	5,273
Non-current liabilities		
Long-term accounts payable - other	24	24
Asset retirement obligations	52	46
Deferred tax liabilities	-	1,722
Other	2	2
Total non-current liabilities	80	1,796
Total liabilities	5,310	7,069

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Net assets		
Shareholders' equity		
Share capital	2,855	2,855
Capital surplus		
Legal capital surplus	4,586	4,586
Other capital surplus	4,268	4,837
Total capital surplus	8,855	9,424
Retained earnings		
Legal retained earnings	713	713
Other retained earnings		
General reserve	37,900	39,900
Retained earnings brought forward	4,433	4,619
Total retained earnings	43,047	45,233
Treasury shares	(1,820)	(2,428)
Total shareholders' equity	52,937	55,084
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	608	4,722
Total valuation and translation adjustments	608	4,722
Total net assets	53,545	59,806
Total liabilities and net assets	58,856	66,875

Non-consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	31,555	32,576
Cost of sales	18,704	19,411
Gross profit	12,851	13,165
Selling, general and administrative expenses	8,444	8,905
Operating profit	4,407	4,260
Non-operating income		
Interest income	11	9
Dividend income	286	357
Rental income	19	21
Compensation income	43	-
Miscellaneous income	26	52
Total non-operating income	386	440
Non-operating expenses		
Provision of allowance for doubtful accounts	39	-
Commission expenses	0	8
Share-based remuneration expenses	37	30
Miscellaneous losses	0	4
Total non-operating expenses	77	43
Ordinary profit	4,715	4,657
Extraordinary income		
Gain on sale of non-current assets	3	0
Gain on sale of investment securities	0	144
Total extraordinary income	4	145
Extraordinary losses		
Loss on disposal of non-current assets	31	92
Loss on liquidation of subsidiaries	100	-
Loss on disaster	-	20
Total extraordinary losses	131	113
Profit before income taxes	4,588	4,689
Income taxes - current	1,478	1,426
Income taxes - deferred	40	133
Total income taxes	1,519	1,560
Profit	3,069	3,129

Non-consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at beginning of period	2,855	4,586	4,236	8,823	713	35,900	4,386	40,999
Changes during period								
Provision of general reserve						2,000	(2,000)	-
Dividends of surplus							(1,021)	(1,021)
Profit							3,069	3,069
Purchase of treasury shares								
Disposal of treasury shares			32	32				
Net changes in items other than shareholders' equity								
Total changes during period	-	-	32	32	-	2,000	47	2,047
Balance at end of period	2,855	4,586	4,268	8,855	713	37,900	4,433	43,047

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(1,838)	50,840	296	296	51,136
Changes during period					
Provision of general reserve		-			-
Dividends of surplus		(1,021)			(1,021)
Profit		3,069			3,069
Purchase of treasury shares	(0)	(0)			(0)
Disposal of treasury shares	18	50			50
Net changes in items other than shareholders' equity			312	312	312
Total changes during period	17	2,097	312	312	2,409
Balance at end of period	(1,820)	52,937	608	608	53,545

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at beginning of period	2,855	4,586	4,268	8,855	713	37,900	4,433	43,047
Changes during period								
Provision of general reserve						2,000	(2,000)	-
Dividends of surplus							(943)	(943)
Profit							3,129	3,129
Purchase of treasury shares								
Disposal of treasury shares			569	569				
Net changes in items other than shareholders' equity								
Total changes during period	-	-	569	569	-	2,000	185	2,185
Balance at end of period	2,855	4,586	4,837	9,424	713	39,900	4,619	45,233

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(1,820)	52,937	608	608	53,545
Changes during period					
Provision of general reserve		-			-
Dividends of surplus		(943)			(943)
Profit		3,129			3,129
Purchase of treasury shares	(1,186)	(1,186)			(1,186)
Disposal of treasury shares	577	1,147			1,147
Net changes in items other than shareholders' equity			4,113	4,113	4,113
Total changes during period	(608)	2,146	4,113	4,113	6,260
Balance at end of period	(2,428)	55,084	4,722	4,722	59,806